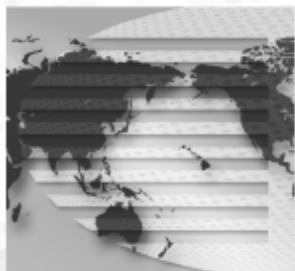




**Asia-Pacific Center for Security Studies**



**SPECIAL ASSESSMENT**

**FEBRUARY 2005**

## **The Asia-Pacific and the United States 2004–2005**

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# **Indonesia and the United States 2004–2005: New President, New Needs, Same Old Relations**

**ANTHONY L. SMITH**

## **KEY FINDINGS**

- Indonesia's new President Susilo Bambang Yudhoyono was swept to power on the public expectation that he would bring needed change to Indonesia. He also stressed that he would improve Indonesia's foreign relations, including with the United States. Prospects for further bilateral interaction exist but policy disagreement over aspects of the U.S. global role remains—especially in the Middle East—and domestic suspicions of U.S. intentions constrain dramatic improvements in ties.
- The Bush administration has explored ways to increase cooperation with Indonesia to counter terrorism. This includes looking at partially restoring military-to-military relations. The tsunami that devastated parts of Sumatra (including Aceh province) has facilitated U.S. forces arriving in Indonesia and the sale of military equipment to Indonesia for the first time since the East Timor crisis of 1999—with the proviso that it not be used against rebels in Aceh.
- The United States sees Indonesia as a foremost example of a democratizing Muslim-majority country, with an important role to play on the world stage. But Indonesia's democracy is far from complete. And Washington is critical of human rights abuses in Indonesia. Such criticism draws angry responses from Indonesians who charge that the U.S. does not have a perfect record either.
- Despite numerous bilateral disputes and broader disagreements, Indonesia and the U.S. remain important to each other. Indonesia's stability is critical to Southeast Asia and crucial sea-lanes, while Indonesia also has, from Washington's standpoint, a major role to play in countering terrorism and the ideological underpinnings of it. President Bush has called Indonesia a "vital partner." For Indonesia, the United States is a leading source of investment and export earnings, and—as the tsunami relief shows—an important aid donor.

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>FEB 2005</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2005 to 00-00-2005</b>	
4. TITLE AND SUBTITLE <b>Indonesia and the United States 2004-2005: New President, New Needs, Same Old Relations</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Asia-Pacific Center for Security Studies (APCSS),2058 Maluhia Road ,Honolulu,HI,96815</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>8</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

## INTRODUCTION

The year 2004 was, for the most part, a direct continuation of the relationship between Washington and Jakarta as it has been since the East Timor crisis of 1999. The military-to-military relationship remained mothballed by Congress's concerns over Indonesia's questionable human rights record. Cooperation and lingering tension remained over the issue of terrorism. The United States continued to support Indonesian territorial integrity but failed to support the Indonesian government to the extent that Jakarta would like on the issue of separatism. President Bush's visit to Indonesia in 2003 was meant to reassure Indonesians that the war on *al-Qaeda* was not a war on Islam—harking back to a continuing theme in U.S. statements to the Indonesian government and public. Indonesian elections ushered in political change, including a new president in Susilo Bambang Yudhoyono, who has promised improved relations with the United States (and a host of other countries), although whether he can deliver on this remains an open question. The tsunami that hit Sumatra on December 26, 2004, causing the deaths of more than 166,000 Indonesians and destroying a good deal of the separatist-minded Aceh province, turned the U.S.-Indonesia relationship on its head. It is hard to imagine any other circumstances in which U.S. armed forces personnel, vehicles, aircraft and equipment, would be on Indonesian *terra firma*.

The importance of Indonesia has not changed. Indonesia is at the heart of the security equation in the wider Southeast Asian region. It sits astride some of the world's most important sea-lanes—crucial for world commerce and the passage of the U.S. Navy. It is also the world's fourth-largest country, with the largest Muslim population, and thus provides an important partner for the war on terrorism and the spread of secular democratic governance. For Indonesia, the U.S. is also of major importance, but nonetheless a domestic difficulty. The relationship with the U.S. is vital for international commerce and aid and assistance of various kinds. The U.S. has \$10 billion in investments in Indonesia, and bilateral trade of about \$12 billion—only Japan does more trade with Indonesia. Furthermore, the tsunami crisis is an illustration of how dependent Indonesia can be on foreign (especially U.S.) aid. But the U.S. role in world politics remains controversial inside Indonesia, and despite repeated U.S. assurances, there is deep mistrust over Washington's intentions regarding the Muslim world.

## THE ELECTION OF PRESIDENT SUSILO BAMBANG YUDHOYONO

During Indonesia's elections, an issue emerged that could have made the U.S.-Indonesia relationship quite difficult. U.S. officials had made it clear on a number of occasions that Washington would respect the choices made at the ballot box by the Indonesian people. When the Golkar Party nominated former general Wiranto as a candidate, a man often linked by commentators and NGOs to the violence in East Timor, the issue became more complex. The U.S. State Department had to reissue these reassurances, particularly as a press report emerged that Wiranto had been put on a watch list of Indonesians to be blocked from entry to America (the report was later denied by the State Department). Official U.S. (or Australian) displeasure at Wiranto would have been a massive boost to his election prospects, and so it was best to remain neutral on the issue. But the presidency's outcome did have implications for the relationship. Wiranto took third place in the first round, and

did not make it to the run-off election between Yudhoyono and Megawati. But had Wiranto been elected, it would have made the relationship a touchstone of domestic U.S. controversy, not least of all in Congress. Although it would have been less controversial, even a victory by the previous incumbent Megawati also would have complicated congressional consideration of military-to-military ties. Megawati's growing closeness with conservative elements of the Indonesian military as her term progressed had created consternation in certain Washington circles. Yudhoyono, though also an army general, is generally regarded as a moderate and is not associated with human rights abuses.

Suggesting that the presidential election result was probably the most favorable from the U.S. point of view is not to confirm the conspiratorial view of a former BAKIN (State Intelligence Coordinating Board) director, Laurence Manullang, who stated that the United States was "meddling" in the election. Manullang offered no evidence for the view, other than the hearsay that Megawati had failed to support the CIA's secret agenda. Army Chief General Ryamizard Ryacudu has said several times that intelligence agents from the U.S., Britain, Australia, and Israel are attempting to weaken and divide Indonesia. In December 2003 he estimated the number of foreign spies in Indonesia at 60,000. Others, including academics and politicians, leveled similar charges, but so far no proof has emerged that Washington "intervened" in, or in some way influenced, the election. The point is that fear of foreign meddling is a constant theme in Indonesia political discourse.

Yudhoyono's election to the presidency during 2004 brings with it the prospects for a continued, even healthy, relationship between the United States and Indonesia. The U.S.-trained Yudhoyono (an MA from Webster University, as well as military training at Fort Benning and Fort Leavenworth) spoke of improving relations with the U.S., Australia and a number of other countries during the campaign, and was even accused by his rivals of being a "U.S. lackey," or even in the pay of the United States—a serious charge, particularly in a climate such as Indonesia's where pro-American sentiments can be a serious liability. This fact of Indonesian politics explains why Megawati felt constrained in tackling *jihadi* groups prior to the Bali blast, and failed to speak to the issue publicly afterwards. She made no official statements after the tragedy in Bali. Instead, deputizing for Megawati in these instances was Yudhoyono, her Coordinating Minister for Politics and Security at the time. Indonesia now has a president who is willing to speak directly to the Indonesian public on the danger that international terrorism poses.

Yudhoyono also carries hopes that he can secure his sprawling archipelago, although initially after his election he appeared hamstrung by an opposition coalition that dominated parliament. Internal upheaval in the opposition Golkar Party, the largest in Parliament, which placed Yudhoyono's handpicked vice presidential candidate Jusuf Kalla, as party leader, might give the new President more power in the legislature but only if his relationship with Kalla lasts. Now Yudhoyono's ability to push through legislation and much needed reform will depend on Kalla and the Golkar Party, a party which is not all that popular with the President's core supporters. Yudhoyono has already signaled to the international community—and confirmed it with the appointment of a moderate and internationalist cabinet—that Indonesia will continue to remain integrated with international trade and commerce. He has also promised economic reform and to address stubborn regional conflicts. He is yet to deliver on this, but the international community is hopeful he can. If Yudhoyono is able to strengthen Indonesia's cohesion and avoid major human rights violations in the process, it will be warmly welcomed in Washington.

## INDONESIA AND THE WAR AGAINST INTERNATIONAL TERRORIST GROUPS

In September 2004, *Jemaah Islamiyah* (JI), a pan-Southeast Asian group with loose affiliations to *al Qaeda*, bombed the Australian Embassy, killing nine Indonesians (no Australians died). Following the Bali bombing of 2002 and the Marriott hotel explosion in Jakarta the following year, 2004 was the third year running that JI made a high profile attack against a Western target, making clear that JI has switched focus from domestic and communal violence to attacks on Western interests and Westerners. To counter JI, the U.S. has provided aid through the Anti-Terrorism Training Assistance Program, which in Indonesia's case is directed toward the police counter-terrorism unit. In November 2004, the U.S. Department of Energy's National Nuclear Security Administration signed an agreement with its Indonesian counterpart Bapeten to strengthen nuclear safeguards to ensure fissionable material does not reach outside groups. Pre-tsunami U.S. aid levels also revealed how important Indonesia is considered in Washington. In 2004 the U.S. announced an aid package for Indonesia of \$468 million over five years, the largest allocation in the history of the relationship. Included in this amount was \$157 million for education in Indonesia, announced during Bush's visit to Bali in October 2003. The importance of this aid can be seen in the fact that terrorist networks have sprung up around school networks, while at the same time Indonesia's mainstream Islamic organizations—with which Washington hopes to foster goodwill—also revolve around schools. Indonesia's state schooling system is also known to be in bad shape.

While the terrorist issue remains at the top of the U.S. agenda on Indonesia, it is much less important to Jakarta. Indonesia failed to heed warnings from, *inter alia*, Malaysia and Singapore about the nature of JI until after the Bali blast. Although Indonesia has made rapid progress since then—arresting nearly one hundred *jihadi* suspects—the issue of terrorism did not even come up as a significant issue during Indonesia's various electoral contests. Washington and Jakarta also define the issue quite differently. Indonesia's Ministry of Defense argues in its 2003 white paper (*INDONESIA: Defending The Country Entering the 21st Century*) that the terrorist threat is both “domestic and transnational” — the former referring to the Free Aceh Movement (GAM) and the Free Papua Organization (OPM). Washington's refusal to widen the definition of a terrorist organization to include these separatist groups has been a source of disagreement.

U.S. attempts to use public diplomacy to persuade Indonesians that the war on terrorism is not an anti-Islamic drive have been undermined by widespread reports of customs and immigration difficulties for Indonesia nationals. The decision in January 2003 to include Indonesia in mandatory interviewing and registration of males, has added to this problem. U.S. commentary on terror suspects, particularly that spiritual leader of JI, Abu Bakar Bashir, should remain under lock and key, has caused even moderates like Syafi'i Ma'arif, chairman of Muhammadiyah, Indonesia's second-largest Muslim organization, to speak out against what he termed Washington's undue interference in Indonesia's judiciary. America's continued refusal to turn over JI leader Hambali—an issue that Attorney General John Ashcroft had to dodge when he visited Indonesia in February 2004—remains a source of disagreement. With cooperation on confronting the JI problem established, differences remain over America's global war on terrorism.

Indonesia has consistently opposed U.S. policy in Afghanistan, Iraq and Israel/Palestine. Indonesia protested the U.S. decision to veto a U.N. resolution condemning Israel's assassination of Hamas leader Sheikh Ahmad Yassin—and generally regards Washington as pro-Israel. Indonesia remains opposed to the U.S. invasion of Iraq, and Indonesia's Foreign Minister Hassan Wirajuda, said democracy can never be forcibly imposed on another country. The Indonesian public also is highly critical of the U.S. role in the Middle East, with U.S. attacks on the cities of Najaf and Fallujah, for example, drawing large protests.

## MILITARY-TO-MILITARY LINKS

In 1999, after the East Timor crisis, the U.S. suspended its International Military Education and Training (IMET) program and all sales of military equipment except non-lethal supplies were curtailed. Indonesia's defense white paper makes it clear that the Indonesian military (TNI) desires a resumption of military links with the U.S., saying "Bilateral relations in the defence field with the United States are important for both countries in overcoming global and regional defence issues." Since September 11 there has been a regular security dialogue between the departments of defense. In February 2004, Admiral Thomas Fargo, Commander of the Pacific Command (PACOM), visited Indonesia and met with President Megawati and her defense chief, General Endriartono Sutarto. The purpose of the visit was to explore strengthening military-to-military ties. General Endriartono told Admiral Fargo that the two countries should have good military relations regardless of domestic difficulties.

The Bush administration has been receptive to a restoration of military-to-military links since it first came to office, but Congress blocked plans to revive IMET due to concerns over Indonesia's human rights problems, most recently the deaths of two Americans in Papua in 2002 in which the Indonesian army obstructed justice. But concerns remain in Congress about human rights generally, and the Bush administration has made its displeasure known in this regard as well. A number of interested countries—the U.S. included—see the TNI as important for Indonesia's future, but are equally worried about the TNI's lack of professionalism and active involvement in a range of legal and illegal commercial activities.

What worries Indonesia is a permanent U.S. force presence in the region that would infringe on Indonesia's notions of sovereignty. Admiral Fargo said in Congress in March 2004 that a proposal to establish the Regional Maritime Security Initiative (RMSI) might involve marines on high-speed boats in international waters. Coming amid rumors that the United States would possibly base troops in Singapore to monitor and control transnational crimes, Indonesian and Malaysian press coverage took the remarks out of context and assumed that Admiral Fargo was referring to the Malacca Straits. Secretary of Defense Donald Rumsfeld responded that this was never America's intention. However, the Indonesian government felt compelled to make clear that such a proposal would undermine Indonesian sovereignty and fuel Islamic extremism. This episode demonstrates how jealously Indonesia guards its territory from the presence of foreign militaries. (The foreign military presence in Sumatra after the tsunami being exceptional.)

## HUMAN RIGHTS

U.S. officials are quick to point out that Indonesia's democratic process is real, and should be respected as such. As the largest Muslim country in the world, Indonesia is seen in Washington as an important test case whereby Islam—largely moderate in Indonesia's case—can coexist with secular democratic rule. Matthew P. Daley, former Deputy Assistant Secretary of State for East Asian and Pacific Affairs, told the House of Representatives International Relations Committee in March 2003 that: "We view the Indonesian example of tolerance and democracy as a model for other Muslim countries. It is imperative that we support the democratic transition in Indonesia, not only because of Indonesia's intrinsic importance, but because its experience gives the lie to those who would claim that Islam and democracy are mutually incompatible." Indonesia's transition to liberal democratic governance has not been, however, without its pitfalls, and the United States, usually through the State Department, found reason to issue statements of concern on several fronts during 2004. The expulsion of Sidney Jones of the International Crisis Group was described by Ambassador Skip Boyce (who was replaced by Ambassador B. Lynn Pascoe during the year) as "unfortunate," with the qualification that this did not signal a major reversal of democratic space – in fact Boyce claims that Indonesia has the freest press in Southeast Asia. The State Department's human rights report for the year 2003, concluded that Indonesia government's human rights record "remained poor, and it continued to commit serious abuses," particularly, the report goes on to say, in regions of separatist conflict. An Indonesian foreign affairs spokesman responded to such criticism suggesting that the United States had no right to judge "other countries, including Indonesia" after the Abu Ghraib prison scandal in Iraq.

Indonesia's two independent-minded provinces—Aceh and Papua—remain at issue in the U.S.-Indonesia relationship. The U.S. State Department reiterated its support for the territorial integrity of Indonesia, which it has done consistently for some time, but expressed some concerns nonetheless. U.S. officials, including President Bush himself, continued to urge, publicly and privately, the Indonesian government to return to talks with the Free Aceh Movement to achieve a negotiated settlement. Each time a U.S. official speaks of such a settlement it is a thinly veiled criticism of the Indonesian decision to abandon such talks in favor of a military solution. In Papua the U.S. supports full and fair implementation of planned autonomy for the province, differing with both Indonesian centralists and Papuan separatists. Ambassador Pascoe has also cited communal violence in the Maluku and Sulawesi as concerns.

The United States also has not allowed the 1999 violence in East Timor to drop from the agenda. Despite the conviction of four suspects in ad hoc trials in 2002 and 2003, State Department officials have criticized the failure to address the East Timor issue in a systematic way. Most of those convicted have been freed on appeal. Moreover, the Indonesian courts refused to accept that elements of the TNI were actively involved in orchestrating the violence. Instead, the guilty were charged with the lesser crime of dereliction of duty. During 2004, a number of Megawati's cabinet ministers reacted angrily to U.S. criticisms of the trial process, saying it was an internal affair and that the United States had its own problems in Iraq. Through the end of 2004, the State Department continued to suggest that an independent U.N. inquiry was needed to deal with the East Timor problem.

## TSUNAMI ASSISTANCE

The December 26, 2004, tsunami that struck the Indian Ocean, has had a dramatic and immediate impact on U.S.-Indonesia relations. The epicenter of the quake was just off Sumatra, with Aceh province bearing the brunt of the resulting tsunami. Most of Indonesia's 166,000 dead are in Aceh. The Bush Administration promised \$350 million for disaster relief and that Indonesia would get the biggest proportion. Initial aid was given to the International Organization for Migration (IOM) for supplies to be distributed across Aceh. The U.S. armed forces delivered food, water and medical supplies directly into Aceh. One hundred helicopter flights a day were made from the aircraft carrier USS *Abraham Lincoln*. Medical teams were inserted into the coastal city of Meulaboh, which was completely flattened and most residents killed. USAID is channeling funds into a range of relief programs, including providing for immediate material needs and long-term aid needs like infrastructure and grief counseling.

U.S. Secretary of State Colin Powell and Assistant Secretary of Defense, Paul Wolfowitz, both visited Aceh after the tsunami. America's decision to partially lift the ban on military supplies—namely, supplies of spare parts for C-130 Hercules transport planes—in order to assist disaster relief in Aceh did not come without qualification. Powell stated that U.S. equipment should not be used to fight the Free Aceh Movement. Nonetheless, Indonesia's President responded that he hoped the lifting of the ban would be “permanent.”

The stationing of U.S. and other foreign troops in Indonesia will not be permanent. The TNI spokesman, Major General Syafie Syamsuddin, told a press conference that U.S. military forces were not in Sumatra to establish a military base. The spokesman felt compelled to react to nationalist commentary that the United States would use the post-tsunami chaos to establish a permanent presence in Indonesia. Furthermore, some opposition members of parliament have been highly critical of Indonesia's acceptance of American aid. A number of press reports have claimed that on the whole Indonesians are unhappy that they have to receive foreign aid, even if the victims are more grateful.

## IMPLICATIONS FOR 2005

In early 2004, it emerged that former senator and Republican Presidential candidate Bob Dole was prepared to lobby Congress on behalf of Indonesia. Although the Indonesian Ministry of Foreign Affairs denied that he was a “lobbyist” as such, they confirmed that they intended to call on his services from time to time. It also speaks to the fact that the relationship contains a number of bilateral difficulties that will remain into the future. The relationship will require constant soothing.

Bush called Indonesia a “vital partner” during his 2003 visit. On top of cooperation in the war on terror, Washington and Jakarta find common ground in attempting to secure peaceful relations in the wider Asia Pacific rim. Both countries are members of the ASEAN Regional Forum (ARF) and the Asia Pacific Economic Cooperation (APEC) grouping, and the United States recognizes the importance of ASEAN. Indonesia, especially under the leadership of Yudhoyono, will continue to confront the homegrown terrorist problem. Distrust of the United States quite evidently remains strong in



Indonesia, and will continue to inform official opinion that Washington's policies in the Middle East are wrong-headed.

Aid and assistance flowing into Indonesia after the tsunami has paved the way for a closer relationship and a partial resumption of military-to-military ties in the short and medium term. However, this will not alter the fundamental course of the relationship, even if it does trump congressional concern over human rights abuses. Even if there is a permanent resumption of the military relationship, the Bush administration will not drop demands that the Indonesian military not use U.S. equipment in heavy-handed actions in Aceh and Papua. Indonesia will remain a model for the Muslim world, but with the U.S. State Department quick to point out Indonesia's ongoing human rights difficulties, it will remain for Washington a flawed model.

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